REMARKS/ARGUMENTS

Favorable reconsideration of this application as presently amended and in light of the following remarks is respectfully requested.

Claims 1-3 are presently active in this application, Claim 1 having been amended by the present amendment, and Claims 4-25 having been previously withdrawn from consideration as being directed to a non-elected invention.

In the outstanding Office Action the title was objected to as insufficiently indicative of the invention to which the claims are directed, Claim 1 was rejected under 35 USC §102(a) as being anticipated by <u>Yamada et al</u> (US 2003/0151112 A1), Claim 2 was rejected under 35 USC 103(a) as being unpatentable over <u>Yamada et al</u> in view of <u>Sugawara et al</u> (US 6,750,486), and Claim 3 was objected to as being dependent upon a rejected base claim, but otherwise allowable if rewritten in independent form.

Applicants acknowledge with appreciation the indication that Claim 3 includes allowable subject matter. However, since Applicants consider that amended Claim 1 patentably defines over the cited art, Claim 3 has been presently maintained in dependent form.

In response to the objection to the title, a new title more descriptive of the claimed invention has been submitted. Accordingly, the objection to the title is believed to have been overcome. If the Examiner disagrees, the Examiner is invited to telephone the undersigned and suggest a new title, and the undersigned will be happy to work with the Examiner in a joint effort to derive a mutually acceptable title.

In light of the several grounds for rejection on the merits, Claim 1 has been amended to clarify the claimed invention and thereby more clearly patentably define over the cited art. To that end, amended Claim 1 recites that an element isolation insulating film is formed on a first insulating film, and a first epitaxial layer is in contact with the element isolation

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insulating film and the first insulating film. Support for the changes to Claim 1 is found in

Applicants' Figure 1 disclosure and no new matter has been added by the present

amendment.

In contrast, in Yamada et al., as shown in FIG. 1B, the element isolation insulating

film STI formed on a first insulating film BOX is not in contact with a first epitaxial layer 13.

In addition, the first epitaxial layer 13 is not in contact with the first insulating film BOX.

In Yamada et al., the STI at the center portion is in contact with the first epitaxial

layer 13 in FIG. 1B. However, the STI at the center portion is not formed on the first

insulating film BOX, so it does not correspond to the element isolation insulating film of

amended Claim 1. In view of these differences, it is respectfully submitted that amended

Claim 1 patentably distinguishes over the applied prior art and withdrawal of the outstanding

grounds for rejection is believed to be in order and is respectfully requested.

Also filed concurrently herewith is an Information Disclosure Statement making of

record U.S.P. No. 6,214,653. It is respectfully requested that this reference be considered and

formally be made of record.

Consequently, in view of the present amendment, no further issues are believed to be

outstanding, and the present application is believed to be in condition for formal allowance.

An early and favorable action to that effect is respectfully requested.

Respectfully submitted,

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